

CURRENT USE BOARD  
PUBLIC FORUM - NOTES

**DATE:** November 22, 2013

**LOCATION:** Concord, NH

**BOARD MEMBERS:**

Senator David Pierce ~ <i>Absent</i>	Representative Janet Wall ~ <i>Absent</i>
Stephan Hamilton, NHDRA, Chairman	Jon Wraith, UNH Life Science & Agriculture ~ <i>Absent</i>
Lorraine Merrill, Commissioner, NH Dept. of Agriculture	
Susan Francher, NHDRED, Forests and Lands	Carol Andrews, NHACC
Lindsay Webb, NH Fish & Game	Tom Mullin, Assessing Official, City
Scott Bartlett, Assessing Official, Population >5,000	
Gary Karp, Assessing Official, Population <5,000 ~ <i>Absent</i>	
David Tellman, Public Member, Forest Land ~ <i>Absent</i>	Tom Thomson, Public Member
Chuck Souther, Public Member, Farm Land	

**MEMBERS of the PUBLIC:**

Jonathan Horton, NHDRED, Forests and Lands	Dean Wilber, Maple Tree Farm
Jasen Stock, NHTOA	Robert Johnson II, NH Farm Bureau
Tim O'Connell, SPACE	Howard Pearl, Pearl & Sons Farm

Chairman Hamilton summarized the purpose of the public forums and the administrative rules process as well as the two previous public forums held in Lancaster and Keene. There was no public attendance in Lancaster. The Keene public forum was well attended and input was received by municipal officials, taxpayers and the New Hampshire Timber Owners Association (NHTOA).

The Current Use Board is proposing changes to the assessment ranges for some of the categories of land in current use. Commissioner Merrill stated the board is not requesting a change to the agricultural range which will remain at \$25-\$425 per acre. Owners with land under the agricultural category have the option of requesting the local assessing officials to use the soil potential index (SPI) of their land to determine where in the range of \$25-\$425 their land should be assessed. There can be a significant difference due to the various topographies of the land that can range from rocky hillside pastures to prime river valley soils. The SPI is a scientifically determined capacity of the soil for its agricultural productivity. The USDA and the County Conservation Districts can assist landowners with this process. We are still seeing similar challenges in terms of the agricultural returns on the land which is another reason the rates have not changed.

Chairman Hamilton reaffirmed the current use program is about assessing the income-producing capability of the land whether under the agricultural or forestry categories. We encourage the municipal officials to utilize a matrix to understand other attributes such as topography and access to the land as well as other factors that may affect value so that the local assessing official can place each parcel of land in the appropriate place in the range of the applicable category.

Chairman Hamilton spoke to the challenge of having the valuation model reflect the benefit of documented stewardship category versus the forest land category. The process of owning, maintaining and ultimately harvesting timber is one that extends over a period time and therefore being able to accumulate good, relevant expense information whether managed through a stewardship plan or whether unmanaged has been difficult. The valuation models divided the relatively small sample of expense information received into two parts, one with and one without stewardship categories. This year the forest land subcommittee, which comes up with the

recommendation of the ranges and the modeling for the current use board, determined it was much more practical to recombine those expense estimates into one category and apply a factor, a discounting for what was managed under the stewardship plan. Therefore, the relative benefit for being in the stewardship plan would be the same regardless of the category the property was in. Chairman Hamilton summarized the proposed assessment range changes and a minor editorial correction to Cub 309.04.

Cub 304.07 Assessment Ranges for Forest Land Categories. The assessment ranges for forest land categories without documented stewardship shall be as follows:

- (a) The category of white pine shall be [~~\$118 to \$177~~] **\$105 to \$158** per acre;
- (b) The category of hardwood shall be [~~\$43 to \$65~~] **\$40 to \$61** per acre; and
- (c) The category of all other shall be [~~\$31 to \$47~~] **\$30 to \$45** per acre.

Cub 304.08 Assessment Ranges for Forest Land Categories with Documented Stewardship. The assessment ranges for forest land categories with documented stewardship shall be as follows:

- (a) The category of white pine shall be [~~\$87 to \$131~~] **\$63 to \$95** per acre;
- (b) The category of hardwood shall be [~~\$21 to \$32~~] **\$24 to \$36** per acre; and
- (c) The category of all other shall be [~~\$10 to \$15~~] **\$18 to \$27** per acre.

Cub 304.13 Assessment Range for Unproductive Land. The assessment for unproductive land shall be \$[~~40~~]**18** per acre.

Cub 304.14 Assessment Range for Wetland. The assessment for wetland shall be \$[~~40~~]**18** per acre.

Cub 309.04 Form CU-12, Summary of Forest Stewardship Plan for Current Use Assessment

(b) Form CU-12 shall be accompanied by:

- (3) A summary of all information required by Cub 304.09(a)(3)[~~b~~]**c**.

#### Public Comment

Rob Johnson, Policy Director for the NH Farm Bureau, stated current use is an extremely important program to their just over 3,100 members. The NH Farm Bureau urged the board not to follow through with the recommended rates using the 40% adjustment. This position is taken for a few reasons. The first being the current forest land model was developed with the intent the output would be defensible, logical and objective. We feel the 40% figure you are using is arbitrary; it is not tied to or based on anything and is not defensible.

The second reason is the current model has only been fully implemented for two years after a five-year process of being phased in. We believe it is a complicated formula and needs to be given more time.

The board has discussed working with a sampling of foresters and landowners around the state with varying parcel sizes and tree species to develop data and management costs. We do not feel the combined effort to obtain the expense information necessary has been given. Mr. Johnston stated the Farm Bureau is fully committed to work with the board to acquire that information.

Another reason is this direction was determined in late October at the subcommittee meeting but was not released until the following week and the first public forum took place one week after that. We do not feel there was sufficient time for discussion and that there is not a good understanding about what this will do; what the consequences will be or what it all means.

So, for those reasons, the Farm Bureau strongly urges the board to step back and continue in the direction you've been going for the past seven years phasing things in. We would not want this type of arbitrary number entering the farm land rate assessments and equally, we do not support it for the forest land assessments.

Mr. Stock, representing the NHTOA, expressed concern with the arbitrary aspect of the 40%. This number has changed from an original recommendation of 30%, to 35% and then finally 40%. The purpose of RSA 79-A is to assess land on its productive capability and a function of that is cost in producing a crop. The intent of the formula is to be transparent and objective but because of a lack of expense information, it appears you are just picking a number. It is the board's charge to determine what the incentive should be for documented stewardship. Using the management costs provides a level of transparency intended. Mr. Stock agreed the surveys of landowners did not work but suggested the documented stewardship ranges remain the same for this year and try to get the data through a sampling project.

Mr. Thomson stated the board needs to have something that is defensible and agreed the sampling process would be a good way to go. Having had both the NHTOA and the Farm Bureau offer to assist the board and subcommittee with collecting this information, it seems the best way to go forward.

Mr. Pearl, a maple producer who manages his own land and uses certified loggers to cut the timber, asked if there was a provision where he could obtain a certified stewardship plan without using a forester. He added it seems an unnecessary expense for those landowners who manage their own land to hire a forester to do the work he and others have already done. Mr. Thomson recommended working with a licensed forester to develop and maintain a stewardship plan.

Chairman Hamilton suggested there are benefits to a landowner beyond the favorable tax treatment to hire a certified forester. It has been estimated that the common tax burden for property in the current use program is less than the cost of being in the stewardship program on a per acre basis. That is one of the challenges of the board.

Mr. Bartlett, speaking about the model, stated it was a very defensible and clear formula however the one area Mr. Dickman was very clear about was that the cost of stewardship was not defensible due to the lack of sufficient information to base that cost on. Another consideration that does not appear to be addressed is the benefits of a management plan. If the cost is considered, the benefits should also be considered.

No further comments.

Chairman Hamilton closed the public forum at 9:35 a.m.

Respectfully Submitted, Stephanie Derosier

NH Department of Revenue Administration – Municipal and Property Division

Documentation relative to the Current Use Board may be submitted, requested or reviewed by:

Telephone: (603) 230-5955  
Facsimile: (603) 230-5943  
E-mail: [cub@dra.nh.gov](mailto:cub@dra.nh.gov)  
Web: [www.revenue.nh.gov/](http://www.revenue.nh.gov/)

In person at 109 Pleasant Street, Concord  
In writing to:  
NH Dept of Revenue Administration  
Current Use Board  
PO Box 487  
Concord, NH 03302-0487